

ASSEMBLY BILL

No. 1316

Introduced by Assembly Member Correa

February 26, 1999

An act to add Chapter 6.6 (commencing with Section 3079) to Part 4 of Division 3 of the Civil Code, relating to commercial leases.

LEGISLATIVE COUNSEL'S DIGEST

AB 1316, as introduced, Correa. Commercial leaseholds.

Existing law provides for the creation of leasehold interests.

This bill would provide that a real estate licensee who is owed a commission pursuant to services performed in connection with securing a tenant for a commercial lease may demand the submission of the dispute to arbitration, as specified. The bill would provide that its requirements only apply to claims for unpaid commissions that meet specified criteria.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 6.6 (commencing with Section
2 3079) is added to Part 4 of Division 3 of the Civil Code, to
3 read:
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CHAPTER 6.6. COMMERCIAL LEASES

3079. As used in this chapter, the following definitions shall apply:

(1) “Commission” means compensation for acts that require a real estate license.

(2) “Commercial lease” means a leasehold interest in real estate improved for nonresidential purposes.

3079.1. A real estate licensee who is owed a commission payable pursuant to services performed in connection with securing a tenant for a commercial lease may demand the submission of any dispute over the commission with the person who received the services to arbitration within 30 days of the date of the demand for the commission.

3079.2. (a) Arbitration under this chapter shall be conducted by rules consistent with rules of the American Arbitration Association, or other rules mutually agreed upon by the parties. Except as otherwise provided by this chapter, arbitration shall be conducted in accordance with Title 9 (commencing with Section 1280) of Part 3 of the Code of Civil Procedure.

(b) As part of his or her demand for arbitration of the commission dispute the real estate licensee demanding the arbitration shall nominate one or more arbitrators. If the nominated arbitrators are not acceptable to the responding party, the licensee and the responding party may mutually agree upon a different arbitrator or select an arbitrator under the procedure set out in the rules of the American Arbitration Association.

(c) Regardless of the method of selection, the arbitrator shall be qualified in the law of leases and real estate.

3079.3. This chapter shall apply only to claims for unpaid commission that exceed the jurisdiction of the small claims court and do not exceed the sum of fifty thousand dollars (\$50,000). The limitation of amount in this section applies to the amount of commission payable and not received, and not to the total value of a contract.

1 3079.4. A decision in an arbitration proceeding under
2 this chapter may include whether any compensation is
3 owed, and the amount, if any, that is owed. A decision that
4 requires the payment of money may be enforced as
5 provided by Chapter 4 (commencing with Section 1285)
6 of Title 9 of Part 3 of the Code of Civil Procedure.

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